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14 **UNITED STATES DISTRICT COURT**
15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

16 IN RE HIGH-TECH EMPLOYEE
ANTITRUST LITIGATION
17

Case No.: C 11-CV-2509-LHK

18 THIS DOCUMENT RELATES TO:
19 ALL ACTIONS
20

**DECLARATION OF JAMES M.
KENNEDY PURSUANT TO CIVIL
LOCAL RULE 79-5(d)
SUBMITTED IN SUPPORT OF
PLAINTIFFS' ADMINISTRATIVE
MOTION FOR SEALING ORDER**

21 Date: January 17, 2013
22 Time: 1:30 p.m.
23 Courtroom: 8, 4th Floor
Judge: Honorable Lucy H. Koh
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2 **DECLARATION OF JAMES M. KENNEDY**
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I, James M. Kennedy, declare as follows:

4 1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for
5 Pixar, and I am an attorney licensed to practice law in the State of California. The matters set
6 forth herein are true and correct of my own personal knowledge and information provided to
7 me. If called as a witness, I could and would testify competently thereto.

8 2. I submit this declaration pursuant to Civil Local Rule 79-5(d) and this Court's
9 Standing Order in support of Plaintiffs' Administrative Motion to File Under Seal (Dkt. No.
10 246). Pixar requests that certain materials designated as confidential by Pixar and lodged under
11 seal by Plaintiffs on December 10, 2012 be sealed pursuant to Civil Local Rule 79-5(d). In
12 particular, Pixar requests that the Court maintain under seal portions of Plaintiffs' Consolidated
13 Reply in Support of the Motion for Class Certification and in Opposition to Defendants' Motion
14 to Strike (Dkt. No. 247) ("Consolidated Reply") and portions of the Reply Expert Report of
15 Edward E. Leamer, Ph.D. (Dkt. No. 249) ("Reply Leamer Report").

16 3. Plaintiffs' Consolidated Reply and Reply Leamer Report quote from and attach
17 as exhibits confidential materials and testimony that Pixar has designated CONFIDENTIAL and
18 CONFIDENTIAL - ATTORNEYS' EYES ONLY under the terms of the Stipulated Protective
19 Order (as modified by the Court) filed in this case (Dkt. No. 107) ("Protective Order").

20 4. Plaintiffs filed a public version of Plaintiffs' Consolidated Reply and Reply
21 Leamer Report on December 10, 2012. (Dkt. Nos. 247 and 249.) In the public version,
22 Plaintiffs redacted those portions of Plaintiffs' Consolidated Reply and Reply Leamer Report
23 that refer to the contents of Pixar's confidential documents and testimony.

24 5. I have reviewed Plaintiffs' Consolidated Reply and Defendants' Joint Response
25 to Plaintiffs' Administrative Motion. Good cause exists to file under seal specific quotations of
26 Exhibit 61 to the Shaver Declaration (Dkt. No. 188) at pages 13 (lines 22-23), 20 (lines 26-28),
27 and 21 (lines 1-4) of Plaintiffs' Consolidated Reply (Dkt. No. 247). Exhibit 61 to the Shaver

Declaration and the references thereto contain confidential and competitively sensitive information regarding business strategy and internal compensation and recruiting practices of The Walt Disney Company (“TWDC”), Pixar, and ImageMovers Digital. TWDC is the parent of Pixar and was the co-founder, with Robert Zemeckis, of ImageMovers Digital. There is good cause to seal quotations from Exhibit 61 to the Shaver Declaration because they reveal sensitive information regarding business strategy of TWDC and its subsidiaries. Disclosure would reveal confidential intra-company communications regarding internal recruiting and staffing policies. Pixar and its affiliates would therefore be prejudiced if the information were made available to the general public.

6. Further, I have reviewed the Reply Leamer Report and Defendants' Joint Response to Plaintiffs' Administrative Motion, and with respect to information regarding Pixar, good cause exists to file under seal Figures 1, 2, 3, 6, 7, 8, 9, 16 and 17 of the Reply Leamer Report (Dkt. No. 249). The Figures reflect highly confidential and competitively sensitive data regarding Pixar's compensation practices, including compensation structure, equity payments, and other propriety matters related to employee compensation. Disclosure would create a substantial risk of serious competitive harm to Pixar because its competitors would gain insight into Pixar's competitive and proprietary compensation strategies. Pixar would be deprived of its investments in developing these strategies and would be placed at a significant disadvantage with respect to recruiting, hiring, and compensating its employees. Pixar would therefore be prejudiced if the information were made available to the general public.

7. I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on December 14, 2012, in Emeryville, California.

James M. Kress

James M. Kennedy